

December 31, 2008

John Gatlin, Director of Property and Casualty Compliance Unit Illinois Department of Insurance 320 West Washington Street Springfield, IL 62767-0001

RE:

THE MEDICAL PROTECTIVE COMPANY- NAIC #11843

COMPANY FILE NO: 08-IL-122

COMPANY FEIN NO: 35-0506406

RATE/RULE ILLINOIS INDIVIDUAL RISK FILING **ILLINOIS PHYSICIANS & SURGEONS**

POLICY IN EFFECT: March 1, 2009 - March 1, 2010

SPRINGFIELD. LLINOIS SPRINGFIELD LLINOIS

DIVISION OF INSURANCE STATE OF ILLINOIS/IDFPR RECEIVED

JAN 0 5 2009

SPRINGFIELD, ILLINOIS

FILED

Dear Mr. Gatlin:

Please find enclosed an Application for an Individual Risk Filing, applicable to Maryville Physician Services, policy # C47351, for your review and consideration. We request the effective date of this submission be effective March 1, 2009 - March 1, 2010.

Along with Individual Risk Filing Worksheet which provides a detail of how the rate was derived and why the risk was individually rated, please find the actuarial certification and a self-addressed stamped envelope. Upon completion of your review, would you please stamp the duplicate copy of this submission and return it to us in the envelope provided.

Should you have any questions regarding this filing, please contact me. Thank you.

Sincerely,

Melissa Colen Millican

Melissa Coker, Paralegal The Medical Protective Company 5814 Reed Road Fort Wayne, IN 46835-3568 (800)-348-4669, ext. 6838 (260)-486-0733 (fax) melissa.coker@medpro.com

Enclosures

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

	I, <u>James Kunce</u> , <u>FCAS</u> , <u>MAAA</u> , <u>SVP</u> and <u>Chief Actuary SVP</u> & <u>Actuary</u> , a duly authorized officer of <u>The Medical Protective Company</u> , am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.				
	I, <u>James Kunce</u> , <u>FCAS</u> , <u>MAAA</u> , <u>SVP</u> and <u>Chief Actuary</u> , a duly authorized actuary of <u>The Medical Protective Company</u> am authorized to certify on behalf of <u>The Medical Protective Company</u> making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.				
0	Signature and Title of Authorized Insurance	S. MAAA, SVP and Chie	Date Column	<u></u>	
	Insurance Company FEIN 35-0506406 Filing Number				
	City Fort Wayne Contact Person's:	State IN	Zip Code 46835		

-Direct Telephone and Fax Number <u>Direct: 260-486-0838; Fax: 260-486-0733</u>

INDIVIDUAL RISK FILING (IRF) WORKSHEET

(Complete this form and submit with all Individual Risk Filings)

Date (mm/dd/yyyy): 12/04/08 Degree: MD Region: Midwest				
Check One: Individual Group				
1. INSURED: Maryville Physician Services (part of group 19607)				
2. QUOTED PREMIUM: \$54,700				
3. MANUAL PREMIUM: \$18,215				
4. LIMITS: \$1M/\$3M				
5. SELECT ONE: Renewal				
6. EFFECTIVE DATE (mm/dd/yyyy): 03/01/2009				
7. EXPIRATION DATE: (mm/dd/yyyy): 03/01/2010				
8. POLICY NUMBER(S): C47351				
9. ARE ANY OF THE FORMS/ENDORSEMENTS INCLUDED WITH THE FILING NOT CURRENTLY FILED AND APPROVED WITH THE DEPARTMENT OF INSURANCE?				
☐ Yes No				
10. IF YES, WHICH SUBMITTED FORMS ARE <u>NOT</u> APPROVED? (attach)				

11. HOW WAS THE RATE DERIVED?

The rate was derived by taking 10% of the sum of the top 5 physicians covered under the corporation. Medical Protective does not insure all the physicians in this corporation and thus the specialties of the top 5 were used. This includes 3 vascular surgeons, 1 plastic/hand surgeon, and 1 OB/GYN. The corp cap will not be applied. This corporate policy covers the physicians working at Maryville Physicians Services Inc. Medical Protective's standard corporate rate does not contemplate for these non-insureds. The calculation is as follows: (127083+(107742*3)+96693) * 10%.

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INDIVIDUAL RISK FILINGS WORKSHEET

PAGE 2

INSURED: C47352 - Maryville Medical Services

12. WHY WAS THE RISK INDIVIDUALLY RATED?

This risk falls outside of our standard corporate pricing as there are physicians that Medical Protective does not insure. This increases the vicarious liabilty exposure for the entity and this needs to be contemplated in the premium.

13. SPECIAL INFORMATION RELATED TO THE RISK:

14. ADDITIONAL COMMENTS:

Maryville Physicians Services, Inc. (group 19607) has been with Med Pro since 3/1/2006 and is being renewed 3/1/2009. There are currently 5 anesthesiologists and 11 CRNAs insured with Med Pro. Through the information gathering process, we determined there are 9 other contracted physicians working for Maryville, 5 of which have a higher class than the 5 anesthesiologists we currently insure. The overall premium for the group (without the corp. premium) is approximately \$250K. The additional \$36,485 charged for the physician corporation is needed to appropriately price the corporation since Med Pro has vicarious liability for the physicians it does not insure.

Underwriter: Amanda Yoder

Underwriting Supervisor Approval: Mulis Bulli

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Neuman, Gayle

From: Millican, Melissa [Melissa.Millican@medpro.com]

Sent: Wednesday, January 07, 2009 10:25 AM

To: Neuman, Gayle

Subject: RE: Medical Protective - Individual Risk Filing #08-IL-121

Ms. Neuman,

Please find our response attached below, please let me know if you should need anything additional.

Melissa

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Tuesday, January 06, 2009 11:34 AM

To: Millican, Melissa

Subject: Medical Protective - Individual Risk Filing #08-IL-121

Ms. Millican,

We are in receipt of the above referenced filing submitted by your letter dated December 21, 2008.

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

Our statistical agent is ISO

The IRF Worksheet provided indicates the overall premium for the group is approximately \$250K. The overall premium for the group for the period of 3/1/08 to 3/1/09 was \$195K. Please explain what changed with this risk to increase the premium by \$55K. Additionally, please explain why the rates for the top 5 physicians changed - pursuant to what rate/rule filing was an increase filed to be effective after 3/1/08?

The main reason the group's premium went up is the claims made step it took. Of the 5 physicians we insure, 3 stepped up to be mature now and 2 are not quite mature. Also, Dr. Collins now qualifies for a 35% non-disc. debit this year.

As far as the top 5 physicians rates, we do not insure them, however we calculated the rate based on our rate for that specialty and the retro date that the majority of the group has (3/1/04). This would make it look like the top 5 jumped a step as well. This is the sole reason we IRF the corp in the first place, the same as we did last year.

We request receipt of your response by no later than January 20, 2009.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3

Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

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MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: Gayle.Neuman@illinois.gov